

**MINUTES OF THE BOARD MEETING
THE SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY
AUGUST 22, 2022**

Minute 1 - Opening of Meeting

The Board Meeting of the Somerset Raritan Valley Sewerage Authority was called to order at 7:00 P.M. by Chairman Michael Impellizeri.

Minute 2 - Open Public Meetings Announcement

The Open Public Meeting Announcement was read by the Executive Director, Ronald S. Anastasio.

Minute 3 - Roll Call

Robert Albano	Present	Philip Petrone	<i>Absent</i>
Louis Esposito, Jr	Present	Reinhard Pratt	Present
Joseph Lifrieri	Present	Gail Quabeck	Present (Teams)
Edward Machala	Present	Randy Smith	Present (Teams)
Richard Mathews	Present	Peter Stires	<i>Absent</i>
Michael Pappas	<i>Absent</i>	Michael Impellizeri	Present

Authority Staff

Ronald Anastasio, P.E., Executive Director	Present
Sherwin Ulep, P.E., Facility Engineer	Present (Teams)
Anthony Tambasco, Plant Superintendent	Present (Teams)
Michael Ingenito, Chief Plant Operator	Present (Teams)
Dennis Smith, Supervisor Liquid Division	Present
Ellie Hoffman, P.E., Regulatory Compliance Engineer	Present (Teams)
Linda Hering, Human Resources Manager	Absent
Peter Wozniak, Chief Financial Officer	Present (Teams)
Christian Santiago, Staff Engineer	Present (Teams)

Professional Staff

Thomas Schoettle, P.E., CDM Smith	Present
Brian Farrelly, P.E., CDM Smith	Present (Teams)
Brad Carney, Esq., Maraziti Falcon, LLP	Present (Teams)

Minute 4 – Pledge of Allegiance

All in attendance saluted the flag.

Minute 5 – Approval of Minutes:

1. Board Meeting Open Session Minutes – July 25, 2022

With the Motion of Mr. Albano, Second of Mr. Esposito, the Minutes of the July 25, 2022 Meeting (Open Session) were approved by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 6 – Public Hearing – NONE

Minute 7 – Public Participation: Mr. Anastasio indicated that we have a member of public in attendance. The individual indicated she was just observing.

Minute 8 – Consent Agenda: Resolutions for Consideration and Possible Formal Action

Mr. Carney asked when we move the Consent Agenda, that every resolution that is going to extend performance, should be amended to also state that the services are being performed in an effective and efficient manner. That is required by the Local Public Contracts Law. Mr. Anastasio stated that pertains to Resolutions 22-0822-2 thru 22-0822-6 so we can add that to the final form of the Resolution.

Mr. Albano has two questions. In Resolution #1, about the wastewater discharge, in the report the company will be discharging mercury and he read Ellie Hoffman’s report that they are satisfied that they will meet their requirements. He would just like the record to show, do they have a mercury treatment facility? Or are they aggregating flows? Mr. Anastasio stated that it relates to, when this application came up we discovered that there is a small amount of mercury in their discharge. Right now, the industry hauls out a particular waste stream that has concentrated mercury. In the future what they are seeking is that they’ll discharge to us, all their flow and add in that waste stream. Ellie, Jim Cosgrove and I looked into, if it was acceptable to the Authority and Mr. Cosgrove calculated that waste load amounts based on their flow and what they are producing now to concentrations in the waste stream. We are satisfied that they will meet it with the aggregation of all their flows and that is the rule. We have a limit, and it is not zero, but it is a small amount. Mr. Albano asked if they have a treatment plan to whether they are just going to be diluting. They only have a pretreatment for pH neutralization at this point. Mr.

Lifrieri asked, do they save up the mercury and then when they have a big flow they add it in? Mr. Anastasio stated that is not so. They will just discharge it as part of their normal discharge. What they were doing now is drumming that concentrated waste. Now that discharge will be mixed in with all rest of the process flows and the domestic flows from the building. It will then all come to us and at the compliance point when they take the sample, they should not have a problem meeting the limit. That is the expectation. Mr. Impellizeri asked, if it gets to us and it causes us to go over the limit, are they responsible? Mr. Anastasio said if they stay under the limit, we shouldn't have a problem. If it goes over and the violate multiple times, we are going to put them on a compliance schedule. They'll have to add a treatment system or go back to drumming. We'll have to see. We have to give them a chance. We do have a limit and it is not zero. Mr. Impellizeri asked what the cost of a treatment system is. Mr. Anastasio stated it is cheaper to haul it, which is a guess on my part. What about fines? We can get into that but if there are violations, we have to discuss what it will take to get into compliance. If they are a significant non-complier, then there are fines associated with that and remember, in these cases, we are DEP. We are a delegated local agency. Everything looks like they won't have a problem and are conforming to all regulations. No news is good news from us, but if they have a problem, you'll hear about it. If it can't be solved on their end, then they'll have to go back to what they are doing now.

Mr. Albano then asked in Resolution regarding Branchburg, why would they build a parallel pipe. They will have 2 pipes and are not disconnecting one. Mr. Anastasio indicated that they are building it in anticipation of needing the capacity in the future, that the capacity is tight there. We have discussed the inquiry of the project known as Fox Hollow in Readington, which is an affordable housing project outside the township. Right now, the application documents do not include a proposed flow, only the existing flows will be conveyed by the application, by the new pipe. As new flows come in within Branchburg, they'll be handled at the Board table for a Treatment Works Approval, if they meet that requirement. Regarding Fox Hollow, we went to great lengths to put explicit language in the Resolution so that it is very clear that this Resolution in no way approves any connection to Fox Hollow or any connections outside the municipal boundary. Also, the North Branch Trunk Agreement between Branchburg and Bridgewater requires that any connections outside Branchburg would require Bridgewater's approval as well as ours. It just makes it very clear that this pipe is not being built for any project. Like Jim Cosgrove said, if they want to build a pipe, we can let them build a pipe but any time anyone wants a connect to it above 8,000 gallons/day in a single connection or a sewer extension that is running down a road, a new sewer main, or anything outside the municipal boundary, they have to talk to us and come before the Board.

1. **Res. No. 22-0822-1** – Resolution Authorizing the Issuance of an Initial Non-Domestic Wastewater Discharge Permit to Power Integrations, Inc.
2. **Res. No. 22-0822-2** – Resolution Extending the Contract for Removal of Incinerator Ash from Settling Basins and Loading into Containers and Ash, Grit, Screenings & Garbage Hauling Fees to Gary W. Gray Trucking, Inc.

3. **Res. No. 22-0822-3** – Resolution Extending the Contract for Furnishing and Delivery of Liquid Magnesium Hydroxide at 60% Solution (100,000 gallons) to Coburn Chemicals, Inc.
4. **Res. No. 22-0822-4** – Resolution Extending the Contract for Furnishing and Delivery of Polymer to Polydyne, Inc.
5. **Res. No. 22-0822-5** – Resolution Extending the Contract for Wastewater Flow Metering System Maintenance, Calibration and Repair Services to Allied Control Systems, Inc.
6. **Res. No. 22-0822-6** – Resolution Extending the Contract for Internal Instrumentation and SCADA Maintenance, Calibration and Repair Services to Allied Control Systems, Inc.
7. **Res. No. 22-0822-7** – Resolution Authorizing Permanent Status of Joseph Loughlin as Accounts Payable Clerk/Secretary in the Administration Division
8. **Res. No. 22-0822-8** – Treatment Works Approval Application -Neshanic Pump Station Force Main and Sanitary Sewer Interceptor Relocation; South Branch Road; Township of Branchburg
9. **Res. No. 22-0822-9** – Treatment Works Approval Application - Meter Chamber 13B Sanitary Sewer; Collection System Upgrades (for Branchburg Township Future Connections Only); Township of Branchburg
10. **Res. No 22-0822-10** - Resolution Authorizing a Repayment of Funds From the Construction Fund to the Connection Capital Fund for the Purpose of Increased Investment Earnings at The State of NJ Cash Management Fund in the Amount of \$4,046,605
11. **Res. No 22-0822-11** - Resolution Authorizing the Purchase and Installation of all Labor and Materials Necessary for the Liquid Division SCADA System Rehabilitation Project through the North Jersey Wastewater Cooperative Pricing System

Mr. Impellizeri asked there were any further comments or questions with regard to the resolutions. Hearing none, and upon the Motion of Mr. Mathews, Second of Mr. Albano, the above Resolutions were approved, as amended by Mr. Carney above, by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 9 – Board Committees - None

Minute 10 – Chairman – Mr. Impellizeri has nothing to report.

Minute 11 - Reports

A. Executive Director’s Report

1. Update on the Purchase of Electricity (Basic Generation Service)

Mr. Anastasio stated, as we all know, it is a crazy year with the markets, supply chain issues, energy is all over the map and gone very high this year. Our two-year contract at a very favorable rate, expired in late May. We went out to bid in April and the bid prices were above the trigger price. The way the bid documents and the resolution were structured was that we had up to a four-month period to refresh the prices and try again. We did not award in April, and we paused. When natural gas dipped in June, we got together as a group and decided to go out again and scheduled two bid opening dates, July 26th and August 4th. There are several bid groups, and we are part of bid group 1, and I won’t bore you with all the details. Only bid group 3 awarded on July 26th. All the other bid groups held off, including us in group 1. We got better numbers on August 4th and it was our last chance, and we awarded then. Why didn’t we just go out to bid again? It is a multi-month process to do that which we could have done, but by the time we were opening bids, it would have been October or November, getting into the winter. The one thing our energy agent always warns us about is that you don’t want to open bids in the “shoulder months,” going into the winter season. We awarded it but only for 50% of the load. The other 50% floats on the market. The market price is typically cheaper than what we lock in to anyway, so we saw it as a way to hedge. If it goes up and stays up above what we are locked in to, well we got half of it locked in. The other half floats on the market. If it dips, we can actually lock in that remaining 50% at the lower price at any time we decide to flick that switch. We’re watching it and right now, natural gas is about \$1.00 higher than what it was, close to \$1.40-\$1.50 higher today than what it was when we locked in. It is all over the map and fluctuates. I just wanted to update the Board on the energy bid.

2. Update on Discussions with Somerset County Regarding Request of Funds from the American Rescue Plan

We’ve been having discussions with Somerset County regarding the request of funds which are known as the American Rescue Plan Funds from the federal government. As you all know, I sent out an email to the Board. Tomorrow night, the County plans to award to the SRVSA, \$3.8 million dollars for the relocation of the Storm Control Pumping Station. Sherwin and I met the County Engineer out there several weeks ago. When it looked good to do that, he wanted to see the project and get his head wrapped around what was going on. We had a good long technical meeting with him. Last Friday, I met the press officer out there for the County. He wanted to take some photos, which was a good photo opportunity because the emergency generator was

still in pieces. We're still waiting for parts, talk about supply chain problems. The Chairman and I are going tomorrow to receive the award. After we get it, we'll talk about the mechanics of it and what it means for the Authority. Right now, we've been talking about two big capital projects. The interceptor rehabilitation project and the plantwide mechanical rehabilitation project. This would be a third capital project, which is much smaller and easier, and we have laid a lot of the groundwork for this project. Once this award goes through, we'll look to get into the mix, this project as well. There's no reason to wait. They are going to want us to move forward on it, which was attractive to them. We have a lot of the preparation work done for it. It is a great opportunity and look forward to going there tomorrow night. If you don't hear from us, no news is good news. Someone asked if it was ok for other members to show up for this, and it surely wouldn't be a problem. They have their working meeting at 5:00 and we were told to arrive at 5:30. If you'd like to go, meet us here at 5:00, but must be less than 8 members or it would be a public meeting.

3. Update on the Sale of Somerville System.

Commissioner Pappas brought up last month, the idea of asking the Bond Counsel, and the Board voted on a Motion to pass this, to ask him for his legal analysis or opinion and he did that. He generated a letter, and it is in the Reports section, of the status of the sale and the possible implications it could have on the debt service. The bottom-line is that we don't now what they're going to do, whether they'll require partial bond repayment or they'll handle it. The hopes and indications are that they probably will handle it, but we don't know, and they haven't gotten back to us yet on what they plan to do. Quite honestly, they probably have to put some work into it to figure it out because it is a regional authority.

Ms. Quabeck stated that they probably won't do anything until the referendum is voted on. They don't want to put the work in until they know its real. We won't see anything before November, before the vote is in. We'll just sit and wait and there is no action to take. Mr. Pratt stated there were a few email exchanges on the topic. Somebody shared the Philadelphia Enquirer, and it was very interesting. He stated that he saw, in one of Ron's emails, that our relationship with Somerville remains our relationship with Somerville despite any privatization. The article that was shared was that it sounds great, you get some cash, but a couple of years later the price goes up. What protection does the SRVSA have, or Somerville, or any other member community, against increased costs? Mr. Anastasio indicated that a change in Somerville's operating rate will not affect this Authority. We will hand our bill to Somerville, just as we do now and when we get a check from them, it will say "Borough of Somerville" on it. They'll get paid through a mechanism with NJ American Water and if I understand correctly, they'll be a fund in place, something along the lines of 100% of a typical year or quarter or whatever it might be, so that as money is coming in, money is going out and they'll always a reserve there. Our lives won't really change, which all of our Counsel's have also indicated. Because the Authority has debt, the Service Agreement says no members can leave until all the debt is satisfied. And we have debt. So, residents bear the risk. It is like a contract operator, but they will also own the system. They are the owners of the pipes and the assets, and they have a contractual relationship, but that relationship is not with us.

Mr. Lifrieri stated that Bridgewater raised their sewer rates but those rates that they send to the individual homeowners, were higher than what we charge Bridgewater for the flow. Because they have to cover their costs. Same thing with American Water. It will be their costs plus our costs in there, just like it is now. As improvements are made, those rates might change, but it will cover their costs and debt service plus ours. Somerville is there to backstop the Authority like the other participating communities. Our life really doesn't change. If we have a problem with something, we'll call the Borough. We'll wait to see what the fallout is but like we've talked about, the legislature passed this and want it to work. I imagine they'll work it out. We'll just have to wait and see on this.

Mr. Carney stated that any rate increase by American Water would be approved by BPU in public hearings associates with that. It is a Somerville Borough residents' issue.

We had also sent the Borough a letter with the Board's concerns, they sent a letter back and we felt we didn't want to let that letter stand unanswered. We sent a letter back and that latest response to our second letter is in the Report section. It is shorter and milder than the first one, but we should just wait and see.

4. Update on PKF Mark III Construction Delay Claim (Closed Session-Contract Negotiations)

Mr. Anastasio indicated he had nothing else to add unless anyone has any questions.

B. Engineer/Consultants – Mr. Schoettle stated that he had nothing further to add.

C. Attorney – Maraziti Falcon, LLP – Mr. Carney indicated he had nothing further to add.

D. Department Reports:

1. Operations
2. Regulatory Compliance
3. Laboratory
4. Maintenance/Electrical

E. Facility Engineer Reports:

1. Facility Engineers Monthly Report
2. Capacity Allocation
3. Capacity Assurance
4. Monthly Flow Report

Minute 12 – Communications – Standard monthly communication submittals to the State are in the Board book.

Minute 13 - Res. No. 22-0822-5 – Payroll

Upon Motion of Mr. Machala, Second of Mr. Albano, the above Resolution was approved by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 14 - Res. No. 22-0822-6 – Bills

Upon Motion of Mr. Mathews, Second of Mr. Lifrieri, the above Resolution was approved by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 15 –Res. No. 22-0822-14 - Adjournment to Closed Session - Resolution Authorizing Closed Session for the Purposes of Contract Negotiation Discussions Regarding the Construction Delay Claim of PKF Mark III Related to the Storm Control Treatment Facility Construction Project

Upon Motion of Mr. Lifrieri, Second of Mr. Albano, the above Resolution was approved.

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

The meeting adjourned to Closed Session at 7:26 pm.

Open Session reconvened at 7:32

Mr. Impellizeri made a Motion that authorized Mr. Anastasio to proceed with the subject discussed in Closed Session about the PFK Mark III settlement, which was seconded by Mr. Albano.

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 16 - Adjournment

Upon Motion of Mr. Lifrieri, Second of Mr. Mathews, the meeting was adjourned at 7:33 p.m.

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Yes	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

**NEXT REGULAR BOARD MEETING WILL BE HELD ON
SEPTEMBER 26, 2022**